



TennCare CHOICES in Long-Term Care

Presentation of the Draft 1115 Waiver Amendment to the Select Oversight Committee on Long-Term Care

September 16, 2008





The Long-Term Care Community Choices Act of 2008

- Developed in collaboration with the Joint Legislative Study Committee on Long-Term Care
- Based on recommendations from broad-based stakeholder groups
- Passed unanimously by both the House and Senate of the Tennessee General Assembly without a single "no" vote in any committee
- Establishes a framework to address challenges in the current LTC system





Objectives of The Long-Term Care Community Choices Act of 2008





REORGANIZE the LTC system

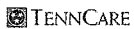
- **Simplified access** (Single Entry Point)
- **Streamlined** (expedited) **enrollment**
- **Comprehensive care coordination** across acute/LTC services
- **Integration** of LTC services within existing TennCare managed care delivery system
- **Continuous quality improvement** strategy across acute/LTC continuum





REFOCUS LTC services

- **Increased use of HCBS**
- **Self-directed care**—ability to hire non-traditional providers such as family and friends to provide in-home care
- **More community-based residential alternatives** to Nursing Facility care






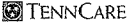
REBALANCE LTC funding


- **Single LTC funding stream**
(global budget strategy through capitation)
- **Money (payment for LTC) follows the person**
into the cost-effective setting of their choice
- **Serve more people** with existing LTC funds
- **More equitable balance** of Nursing Facility/HCBS expenditures over time






**Key components of
TennCare CHOICES
In Long-Term Care**


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**Improved Access and
Coordination of Care**


- **Single Entry Point** for LTC information and assistance
- **Streamlined eligibility processes**
- **Integration and coordination of all Medicaid services**
- **Modified NF level of care criteria targets NF to persons with greatest need** (grandfather existing LTC population)
- **HCBS for “at-risk” population**
- **NF diversion**
- **NF-to-community transitions**

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**Expanded Choices and
Service Options**

- **Consumer-directed options**—allowing consumers to select, direct, and/or employ their own caregivers while also ensuring accountability for taxpayer funds
- Includes the ability to **self-direct health care tasks**
- **More types of residential alternatives** for people who can be served outside Nursing Facilities, including assisted living facilities adult family care homes adult foster care homes companion care models and home care in public housing
- **Changes to ACLF licensure requirements** that will make the benefit more accessible and that will allow people to “age in place”

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Expanded Choices and Service Options (Cont'd)

- Streamlined provider enrollment process
- Assistance to Nursing Facilities willing to diversify their lines of business to include home-delivered meals, adult day care, respite and other home care services as well
- Development of additional PACE (Programs of All-Inclusive Care for the Elderly) sites in major metropolitan areas
- Moderate expansion of State-funded home care services for people that do not qualify for Medicaid w/ annual review





More efficient utilization of limited LTC funding

- Increased use of HCBS to serve more people using existing LTC funds
- A more equitable balance between LTC expenditures on Nursing Facilities and HCBS
- A new payment methodology for Nursing Facilities based on the acuity of patients' needs
- Cost control mechanisms to ensure that the LTC program does not grow beyond the State's ability to manage, impacting other critical needs such as education, employment, and safety






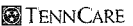
A Focus on Quality Across LTC Services and Settings


- A strong quality oversight component to ensure that services are delivered as intended and that problems are immediately identified and resolved
- Efforts to measure customer perceptions of quality and to improve the system to better meet their needs
- Ongoing quality improvement initiatives to not just "regulate" the quality of LTC services but to continuously find ways to improve both care and outcomes across all LTC settings







1115 Waiver Amendment
addresses only those
components of the
LTC Community Choices Act
which require federal
authority






**Purpose of the
TennCare CHOICES
Demonstration**






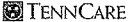
Tennessee will demonstrate:


- We can provide HCBS for elderly and physically disabled adults who would otherwise require Nursing Facility (NF) services at a cost that does not exceed the individual cost neutrality test used in a Section 1915(c) waiver.
- Through coordination of care and use of more cost-effective HCBS alternatives, we can expand access to HCBS for persons who do not yet meet a NF level of care, but who are "at risk" of needing NF services, thereby delaying or preventing the need for more expensive institutional care.
- How a state that has traditionally invested most of its LTC resources in institutional programs can devote a greater proportion of those resources to cost-effective HCBS, without increasing overall expenditures or compromising quality of care





Eligibility for *TennCare CHOICES*







Eligibility

Target Populations:

- 1 Persons receiving Medicaid-reimbursed NF care
- 2 Elderly (age 65 and older) and Adults (age 21 and older) with physical disabilities who meet NF level of care, need HCBS as an alternative to NF care, and qualify:
 - a As SSI recipients ("true" Medicaid eligibles); or
 - b In the Institutional Category (**demonstration population**)
- 3 Elderly (age 65 and older) and Adults (age 21 and older) with physical disabilities who would not meet the new NF level of care but who in the absence of HCBS, are "at risk" of NF placement


(Excludes MR/DD PACE & other populations not currently eligible for HCBS)






Eligibility

- **No expansion** of Medicaid eligibility
 - Persons otherwise eligible in the Institutional category by virtue of receiving HCBS become a demonstration population
 - Only Medicaid eligibles qualify in the "at-risk" population (Institutional Income Standards N/A)
- **No expansion** of definition of HCBS "target population"
 - Elderly and Disabled







Enrollment

Level of Care Determination

- TennCare will continue to determine level of care (i.e., medical) eligibility for LTC services based on a functional assessment
- Higher threshold level of care criteria for Nursing Facility admission (and for Target Group 2) will be established
- Lower threshold level of care criteria will be established for the “at-risk” population in Target Group 3 (similar to the State plan option under Section 1915(i))







Enrollment

Enrollment Caps

- Enrollment in Target Groups 2 and 3 (NF-eligible HCBS and non-NF-eligible “At-risk”) may be capped to address financial and infrastructure capacities and ensure quality of care
- Target Group 2 will be capped at no less than 6,000—the # of unduplicated participants in the State’s 1915(c) waiver (after approval of a pending waiver amendment)
- Persons institutionalized for at least 180 days not subject to any enrollment cap
- Target Group 3 will be capped at no less than 10% of any cap established for Target Group 2
- No enrollment cap on Target group 1 (NF)







Enrollment

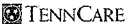
Waiting Lists


- Separate statewide waiting lists for Target groups 2 and 3
- Prioritization for Target group 2
- Waiting lists managed by the State
- Criteria for prioritization and movement off the waiting list under development





**Benefits in
TennCare CHOICES**





Covered Benefits

NF Services


- Target Group 1 only


HCBS Residential Alternatives to NF Services

- Target Group 2 only (NF-eligible HCBS)

Other (non-Residential) HCBS—as currently covered under the State's existing 1915(c) pending approval of a waiver amendment

- Target Groups 2 and 3 (NF-eligible HCBS and non-NF-eligible "At-risk")

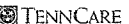





Covered Benefits

HCBS Residential Alternatives to NF Services

- Assisted Care Living Facility
- New models to be developed
 - Adult Care Homes







Covered Benefits

Other (non-Residential) HCBS

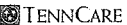
- Personal care visits (2 visits per day)
- Attendant care (1,080 hours per year)
- Homemaker services (3 visits per week)
- Home-delivered meals (1 meal per day)
- PERS
- Adult day care (2,080 hours per year)
- In-home respite care (216 hours per year)
- In-patient respite care (9 days per year)
- Assistive technology (\$900 per year)
- Minor home modifications (\$10,000 per year/\$25,000 per lifetime)
- Pest control (9 units per year)






Expenditure Caps

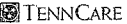
- Combined cost of covered HCBS for persons in Target Group 3 may not exceed \$15,000 per year, excluding cost of minor home modifications
- Combined cost of all services in home or community setting cannot exceed average cost of NF care
 - Cost neutrality cap individually applied as it is under the State's existing 1915(c) waiver





Cost-effective Alternatives

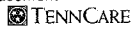
- NF-to-community transition allowance not to exceed \$2,000
- Otherwise covered HCBS in excess of specified coverage limits
- Other non-covered HCBS as specified by TennCare





Care Coordination

- Provided by MCOs, not as a separate HCBS
- Comprehensive and integrated across the full continuum of primary, acute, behavioral, and LTC services
- Person-centered; support for member preferences regarding LTC services and settings
- Routine assessment/aggressive intervention/prevention
- Continuous monitoring/assurance of service delivery
- Intensive management of transitions between care settings
- Assurance of cost-effectiveness
- Intended to:
 - o Optimize health and functional status
 - o Increase member satisfaction
 - o Reduce unnecessary ER/hospital visits
 - o Reduce unnecessary nursing home placement





Consumer Directed Care

- Ability to select, employ and supervise persons delivering specified HCBS
- Fiscal intermediary manages employer payroll/tax functions
- Supports broker assists members in recruiting, training, and managing staff and resources
- State identifies statewide F/ISB contractor(s) for MCOs
- Self-direction of health care tasks







Transition of 1915(c) Waiver


- Eligible populations currently receiving HCBS under the 1915(c) will be integrated into the TennCare demonstration
- Continuity of care provisions will ensure a seamless transition to the new MMLTC delivery system
- TennCare will process fee-for-service claims for dates of service prior to transition






**Access and
Service Delivery in
TennCare CHOICES**






Access to TennCare CHOICES


- **Single Point of Entry** for non-Medicaid eligibles for all LTC services (NF and HCBS)
 - Outreach
 - Counseling and assistance
 - Screening and intake
 - Facilitated enrollment
(Medicaid financial and TennCare level of care eligibility)
- **MCOs facilitate access to LTC Services for current Medicaid eligibles**
- **Streamlined eligibility processes**





Access to LTC Services

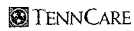
- **Functional Level of Care assessment (PAE)**
 - Determination by TennCare
 - Higher threshold criteria for NF LOC
 - Lower threshold LOC criteria for "At-risk" population
- **Individualized needs assessment and plan of care development by a "qualified entity"**
 - Identify needs, resources, gaps in care
 - Participation of member and family/other caregivers
 - Builds on and does not supplant natural/other supports
 - TennCare develops assessment and care planning protocols
 - MCOs are "qualified entities" only if regulatory/contractual safeguards are in place to ensure processes are fair, objective and consistent with needs of individual
 - MCOs may subcontract for assessment and care planning functions; subcontracted entity may not provide any direct service





TennCare Managed Care Organizations

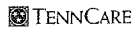
- Fully integrated risk-based MMLTC system
- Coordination (but not integration) of Medicare benefits
- Full risk for all services, including NF (not time-limited)
- Uses existing managed care organizations
- Amendment to Contractor Risk Agreement
- All TennCare MCOs manage the full continuum of LTC services, including Nursing Facility and HCBS (in addition to primary, acute, and behavioral health) services for eligible members
- Seamless care coordination and service delivery





TennCare CHOICES Providers


- **Ensure stability of current LTC providers**
 - MCOs required to contract with all current NF providers for at least 3 years
 - TennCare sets acuity-based NF payment rates
- **Focus on infrastructure development**
 - Enroll new HCBS providers
 - Expand capacity of existing HCBS providers
 - Encourage MCO home health agencies to provide HCBS
 - Support NF diversification to include HCBS
 - Develop new HCBS residential alternatives to NF care
- **Contractually defined access standards for LTC (as well as other TennCare) services**






Quality Assurance in *TennCare CHOICES*







Quality


- Expansion of HEDIS reporting based on request for Medicare data for dual eligibles
- At a minimum, measures of:
 - Health outcomes across services and settings, e.g., HOS or HOS-M or OASIS
 - Needs assessment and care planning processes
 - Care coordination
 - Management of transitions
- Key focus on consumer perceptions of quality throughout all aspects of the LTC system






Budget Neutrality/Financing






Budget Neutrality


- Institutional & HCBS LTC services are currently not included in the 1115 BN calculations
- Existing Eligibility Groups (EGs) already incorporate member months for the entire TennCare population – including those affected by this waiver amendment
- The baseline PMPM will need to be adjusted to include all LTC services being moved into the 1115 waiver
- Growth trends for these LTC services can be calculated based on historical experience







Financing


- **Global budget strategy** through capitation payments which encompass full continuum of LTC services
 - Capitation payments project moderate changes in patterns of NF/HCBS utilization over time
- LTC payments follow person into most appropriate and cost-effective LTC setting of their choice, resulting in a **more “balanced” LTC system**
- **Properly aligned financial incentives** encourage utilization of cost-effective HCBS






Implementation Timelines





Process and Timing

- **Approval** of 1915(c) waiver amendment #1 to add 2300 unduplicated participants effective 7/1/08
- Submission by 10/1/08 of 1915(c) waiver amendment #2 to eliminate barriers to timely enrollment and access to care provide clarification/modification of specified waiver services and streamline provider enrollment; requested effective date 1/1/09
- Submission of Concept Paper
- Release of draft 1115 waiver amendment for public comment and review for TennCare CHOICES Program
- Submission of 1115 waiver amendment by 9/30/08
- Need approval of 1115 waiver amendment by 12/31/08 to ensure timely development of Contractor Risk Agreement, promulgation of regulations, etc





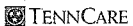
Process and Timing

- **Planning and development during FY 2009** (ends June 30, 2009)
 - Ongoing implementation discussions with MCOs and stakeholders
- **Begin broader implementation in FY 2010** (starts July 1 2009)
 - Acuity-based reimbursement methodology for NFs
 - Integration of LTC into existing managed care delivery system
 - Middle TN – July 1, 2009
 - East TN – January 1, 2010
 - West TN – by June 1 2010





Questions?





Appendix





Table 1
Eligibility for TennCare CHOICES

Target groups	Description	Already Medicaid eligible?	Enrollment in CHOICES capped?
1	Persons who are receiving Medicaid-reimbursed care in a NF	Yes	No
2	Persons age 65 and older and adults age 21 and older with physical disabilities who meet NF level of care, need HCBS as an alternative to NF care, and who qualify as SSI recipients or who would qualify in the institutional category by virtue of receiving HCBS, should the state's 1915(c) waiver be continued	Yes—as SSI recipients, or in an institutional category by virtue of receiving HCBS (pursuant to 42 CFR 435.217)*	Yes, at the state's discretion, but not less than 6,000**
3	Persons age 65 and older and adults age 21 and older with physical disabilities who do not meet NF level of care but who, in the absence of HCBS, are “at risk” of institutionalization	Yes	Yes, at the state's discretion (cap to be not less than 10% of the cap for Target Group 2)

*SSI recipients are independently Medicaid eligible; those enrollees whose eligibility is dependent on 42 CFR 435.217 and who are not already eligible will be a **demonstration population** under this amendment.
 **Persons in Target Group 1 who elect to move to Target Group 2 will not be subject to the enrollment cap if they have been institutionalized for at least 180 days.



**Table 2
TennCare CHOICES Benefits for Persons
in Target Groups 1, 2, or 3**

TennCare CHOICES Benefits ^[1]	Target Group	Limit
Nursing facility care	1	As medically necessary
Community-based residential alternatives	2	N/A
Personal care visits	2 and 3	2 visits per day
Attendant care	2 and 3	1080 visits per calendar year
Homemaker services	2 and 3	3 visits per week
Home-delivered meals	2 and 3	1 meal per day
Personal Emergency Response Systems	2 and 3	N/A
Adult day care	2 and 3	2080 hours per calendar year
In-home respite care	2 and 3	216 hours per calendar year
In-patient respite care	2 and 3	9 days per calendar year
Assistive technology	2 and 3	\$900 per calendar year
Minor home modifications	2 and 3	\$6,000 per project \$10,000 per calendar year \$20,000 per lifetime
Pest control	2 and 3	9 units per calendar year

^[1] All of the benefits other than Nursing Facility care are provided subject to an individual cost-neutrality test, which is the same test as that used in a 1915(c) waiver.